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Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or other tax year beginning **JUL 1, 2011**, and ending **JUN 30, 2012**

Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed

B Exempt under section 501(C)(3) 408(e) 220(e) 408A 530(a) 529(a)

C Book value of all assets at end of year: **360,052,108.**

D Employer identification number (Employees' trust, see instructions): **56-0619359**

E Unrelated business activity codes (See instructions): **812300 621500**

Name of organization (Check box if name changed and see instructions): **GASTON MEMORIAL HOSPITAL, INC**

Number, street, and room or suite no. If a P O box, see instructions: **2525 COURT DRIVE, P.O. BOX 1747**

City or town, state, and ZIP code: **GASTONIA, NC 28053-1747**

F Group exemption number (See instructions.): **▶**

G Check organization type: 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity: **▶ LAUNDRY INCOME AND LAB SERVICES**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

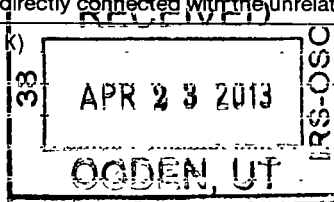
If "Yes," enter the name and identifying number of the parent corporation: **▶ SEE STATEMENT 4**

J The books are in care of: **▶ DAVID O'CONNOR** Telephone number: **▶ 704-834-2000**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales 497,783.			
b	Less returns and allowances			
c	Balance ▶	497,783.		
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c	497,783.		497,783.
4 a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)	12,574.	STMT 1	12,574.
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions, attach schedule)			
13	Total. Combine lines 3 through 12	510,357.		510,357.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	222,180.
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach schedule)		18	
19	Taxes and licenses		19	3,009.
20	Charitable contributions (See instructions for limitation rules)	SEE STATEMENT 2	20	4,289.
21	Depreciation (attach Form 4562)	14,697.	21	
22	Less depreciation claimed on Schedule A and elsewhere on return		22a	
23	Depletion		22b	14,697.
24	Contributions to deferred compensation plans		23	
25	Employee benefit programs		24	
26	Excess exempt expenses (Schedule I)		25	10,088.
27	Excess readership costs (Schedule J)		26	
28	Other deductions (attach schedule)	SEE STATEMENT 3	27	
29	Total deductions. Add lines 14 through 28		28	216,494.
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		29	470,757.
31	Net operating loss deduction (limited to the amount on line 30)		30	39,600.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		31	
33	Specific deduction (Generally \$1,000, but see instructions for exceptions)		32	39,600.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		33	1,000.
			34	38,600.



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Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here [X] See instructions and Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order) (1) \$ 38,600. (2) \$ (3) \$ b Enter organization's share of (1) Additional 5% tax (not more than \$11,750) \$ (2) Additional 3% tax (not more than \$100,000) \$ c Income tax on the amount on line 34 SEE STATEMENT 5 35c 5,790. 36 Trusts Taxable at Trust Rates. See instructions for tax computation Income tax on the amount on line 34 from: [] Tax rate schedule or [] Schedule D (Form 1041) 36 37 Proxy tax. See instructions 37 38 Alternative minimum tax 38 39 Total Add lines 37 and 38 to line 35c or 36, whichever applies 39 5,790.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116) 40a 40b Other credits (see instructions) 40b 40c General business credit. Attach Form 3800 40c 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d 40e Total credits. Add lines 40a through 40d 40e 41 Subtract line 40e from line 39 41 5,790. 42 Other taxes Check if from [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule) 42 43 Total tax. Add lines 41 and 42 43 5,790. 44a Payments. A 2010 overpayment credited to 2011 44a 18,621. 44b 2011 estimated tax payments 44b 44c Tax deposited with Form 8868 44c 44d Foreign organizations Tax paid or withheld at source (see instructions) 44d 44e Backup withholding (see instructions) 44e 44f Credit for small employer health insurance premiums (Attach Form 8941) 44f 44g Other credits and payments [] Form 2439 [] Form 4136 [] Other Total 44g 45 Total payments Add lines 44a through 44g 45 18,621. 46 Estimated tax penalty (see instructions) Check if Form 2220 is attached [] 46 47 Tax due If line 45 is less than the total of lines 43 and 46, enter amount owed 47 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 12,831. 49 Enter the amount of line 48 you want Credited to 2012 estimated tax 5,800. Refunded 49 7,031.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here [] Yes [X] No 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file [] Yes [X] No 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ [] Yes [] No

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year 1 2 Purchases 2 3 Cost of labor 3 4a Additional section 263A costs 4a b Other costs (attach schedule) 4b 5 Total. Add lines 1 through 4b 5 6 Inventory at end of year 6 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? [] Yes [] No

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of preparer [Signature] Date 4/11/13 Title CFO

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer Use Only

Print/Type preparer's name Preparer's signature Date Check [] if self-employed PTIN AMY BIBBY [Signature] 4/11/13 P00445891 Firm's name DIXON HUGHES GOODMAN LLP Firm's EIN 56-0747981 Firm's address ASHEVILLE, NC 28806 Phone no (828) 254-2254

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Totals		Enter here and on page 1, Part I, line 7, column (A) 0.	Enter here and on page 1, Part I, line 7, column (B) 0.
Total dividends-received deductions included in column 8		0.	0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Totals			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0.	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.
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Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
	Enter here and on page 1, Part I, line 9, column (A)			Enter here and on page 1, Part I, line 9, column (B)
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)				Enter here and on page 1, Part II, line 26
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT	1
DESCRIPTION		AMOUNT	
INCOME FROM PREMIER PURCHASE PARTNERS			12,574.
TOTAL TO FORM 990-T, PAGE 1, LINE 5			12,574.

FORM 990-T	CONTRIBUTIONS	STATEMENT	2
DESCRIPTION/KIND OF PROPERTY		METHOD USED TO DETERMINE FMV	
CASH ONLY		N/A	
TOTAL TO FORM 990-T, PAGE 1, LINE 20			251,868.

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	3
DESCRIPTION		AMOUNT	
SUPPLIES			38,119.
BUSINESS SERVICES			17,765.
MEDICAL RECORDS			13,741.
TRANSCRIPTION			12,486.
INTEREST EXPENSE			6,474.
DATA PROCESSING			6,356.
PHYSICIAN SERVICES			3,421.
FAC SVC GENERAL			9,545.
ACCESS MANAGEMENT			16,657.
INSURANCE			2,930.
HOUSEKEEPING			2,607.
PUBLIC RELATIONS			2,448.
SPIRITUAL CARE			2,084.
LEGAL			1,777.
PERSONNEL			1,536.
MEDICAL STAFF OFFICE			1,545.
CORPORATE RESPONSIBILITY			1,155.
LAUNDRY AND LINEN			7,908.
TELECOMMUNICATIONS			1,138.
CENTRALIZED SCHEDULING			2,784.
OVERHEAD			36,918.
OTHER EXPENSE			14,830.
STERIL SUPPLY SERVICES			1,647.
CLINICAL PERFORMANCE			9,338.
TAX PREP FEE			1,285.
TOTAL TO FORM 990-T, PAGE 1, LINE 28			216,494.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 4

CORPORATION'S NAME

IDENTIFYING NO

CAROMONT HEALTH

58-1636959

FORM 990-T	TAX COMPUTATION	STATEMENT 5
1.	TAXABLE INCOME	38,600
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT .	38,600
3.	LINE 1 LESS LINE 2	0
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT .	0
5.	LINE 3 LESS LINE 4	0
6.	INCOME SUBJECT TO 34% TAX RATE	0
7.	INCOME SUBJECT TO 35% TAX RATE	0
8.	15 PERCENT OF LINE 2	5,790
9.	25 PERCENT OF LINE 4	0
10.	34 PERCENT OF LINE 6	0
11.	35 PERCENT OF LINE 7	0
12.	ADDITIONAL 5% SURTAX.	0
13.	ADDITIONAL 3% SURTAX	0
14.	TOTAL OF LINES 8 THROUGH 13 TO FORM 990-T, PAGE 2, LINE 35C	<u>5,790</u>